

LFC Requester:**Jon Clark**

**AGENCY BILL ANALYSIS
2016 REGULAR SESSION**

WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:

LFC@NMLEGIS.GOV

and

DFA@STATE.NM.US

{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}

SECTION I: GENERAL INFORMATION

{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}

Check all that apply:

Original X **Amendment**
Correction **Substitute**

Date January 25, 2016

Bill No: HB 215

Sponsor: Reps. S. Stapleton & M. Moores

Agency Code: 305

Short

Person Writing Rick Word

Title: State Fair Funding Act

Phone: 827-6029

Email rword@nmag.gov

SECTION II: FISCAL IMPACT

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis () Indicate Expenditure Decreases)

REVENUE (dollars in thousands)

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis () Indicate Expenditure Decreases)

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY16	FY17	FY18	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total						

(Parenthesis () Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:
Duplicates/Relates to Appropriation in the General Appropriation Act

SECTION III: NARRATIVE**BILL SUMMARY**

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

Synopsis:

HB 215 amends the Tax Administration Act and the Gross Receipts and Compensating Tax, and enacts the State Fair Funding Act, as part of the creation of a funding source for the State Fair utilizing surcharges on products and services sold at or related to the State Fair or fairgrounds.

HB 215 exempts from the gross receipts tax certain receipts from the sale of tickets, parking, souvenirs, concessions, programs, advertising, and other products, services or activities sold at, relating to, or occurring at the state fairgrounds that are subject to the state fair surcharge. In its place, covered fair-related transactions are subject to the state fair surcharge, which is set by the bill at six and five sixteenths percent. The bill requires covered vendors to collect the surcharge in covered transactions and remit collected surcharges to the Tax and Revenue Department (TRD) no later than twenty-fifth day of the month following the month in which the sale occurred. TRD is required to transfer the net receipts attributable to the surcharge to the State Fair Commission (Commission). The Commission must deposit all such proceeds in a specially designated fund, where they may be used by the Commission in accordance with NMSA 1978, Sections 16-6-13 through -22, which detail the powers of the Commission. HB 215 specifically provides that the proceeds of the surcharge must first be used to pay for the construction, renovation, equipping or maintenance of an event center at the exposition center, or otherwise to pay debt service payments for bonds secured for those purposes. The bill further provides that the proceeds cannot be used by the Commission for the benefit of land or property leased to or under the direct control of racing or gaming licensees.

HB 215 directs the Commission to audit vendors or otherwise ensure that they collect and remit to TRD all state fair surcharges due. The bill authorizes the Commission to enforce these provisions in district court against a vendor, specifically allowing for the imposition of interest on past due amounts, attorney fees and costs.

While the Commission is already authorized to issue bonds, HB 215 specifically authorizes the Commission to issue bonds secured by the state fair surcharge proceeds.

FISCAL IMPLICATIONS**SIGNIFICANT ISSUES**

PERFORMANCE IMPLICATIONS

ADMINISTRATIVE IMPLICATIONS

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

TECHNICAL ISSUES

OTHER SUBSTANTIVE ISSUES

ALTERNATIVES

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

AMENDMENTS